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MARKETING ACTIVITIES



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Middlemen and High Food Prices

By F. L. Thomsen

Many consumers have been hard hit by the prices of meats and other foods in recent months. How to deal with their protests against high food prices has been a big problem for food distributors. Taken as a group, however, food consumers are better off than their protests indicate. Retail food prices have risen sharply since before the war--but income has too.

In the second quarter of 1948 an average family had to pay only 21 percent of its "disposable" income for the same quantity of representative foods for which it would have had to spend 23 percent of its income in 1935-39. This is rather difficult to realize because during the war our incomes rose much faster than food prices. In 1944, for example, the family would have had to spend only 16 percent of its disposable income for the same quantity of foods. The contrast with this wartime situation is what really causes the dissatisfaction. It is true that many food prices are out of line. But in general the level of food prices is not high enough to warrant all the outcries against farmers and food handlers.

Marketing Charges Have Declined Proportionally

Food distributors and handlers are getting a large share of the blame for high food prices. Marketing charges are said to have increased too much, and marketing efficiency to have decreased. Actually, this is not generally the case. In October 1948, on the average for all parts of the country and for all foods produced in the United States, marketing charges represented 48 percent of the retail cost. This compares with 59 percent during the period 1935-39, and 55 percent on the average for the last prewar year 1941.

Relative to retail prices and prices received by farmers, then, marketing charges have declined. In absolute terms, of course, they have risen, by over 50 percent. But the rise in marketing charges has not been as great as the rise in wage rates of the persons employed by marketing agencies. Since labor costs represent a considerable part of the total operating costs of food processors and handlers, this fact would imply that marketing agencies have actually increased their efficiency of labor utilization. The implication is borne out by the trend of labor cost per unit of product, which has gone up less than wage rates in the marketing industries, although more than marketing charges. Evidently marketing agencies have been able to effect substantial economies since before the war, in order to make such a record.

This does not mean that all marketing operations are conducted efficiently, or that costs could not be further reduced for the benefit of

both farmer and consumer. On the contrary, we know that many marketing operations are very inefficient. Even on the basis of present knowledge, substantial economies could be put into effect.

But improvements in marketing will not result either from indiscriminate abuse of middlemen or from any mere squeezing of profits. Profits do not represent a sufficiently large part of total marketing charges to offer opportunities for substantial reductions in margins. If marketing is to become more efficient and marketing charges are to be reduced, it will be necessary to reduce the actual costs of operation by adopting more efficient practices and encouraging more efficient types of marketing agencies.

For the most part, the portions of the marketing system that are responsible for the larger part of total marketing charges are not those ordinarily blamed by consumers. In general, we have placed too much stress on the farm end of the marketing system and on the processing and wholesaling centers, and not enough on retailing, which absorbs by far the largest part of total marketing charges.

While a good proportion of present retailing costs reflect necessary services to consumers there is no doubt that charges could be cut if there were more general acceptance of the best retailing techniques known in the trade today. This does not necessarily mean that retailers as a group are considerably less efficient than other segments of the trade. It does mean that because retailing consumes such a broad share of the marketing costs any efficiencies effected here will be particularly significant in cutting the marketing costs between the producer and the consumer.

Retailing Greatest Marketing Charge

The cost of retailing is by far the largest single item in the total spread between the farmer and the consumer. For some commodities it absorbs almost half of all marketing charges. On the average, it amounts to about a fourth of the consumers' dollar and nearly 40 percent of the total marketing charges.

At one time it was thought that little could be done to reduce retailing costs. Then along came the self-service supermarket which cut the prevailing costs by half and in some cases even more. These economies were made possible primarily by increasing the volume of operations per unit through new merchandising methods that made more customers willing to patronize individual stores. Self-service methods have possibly been the largest single cost- and labor-saving innovation but there have been many little efficiencies that have resulted from the application of centralized management and practical merchandising research.

Improvements in marketing will not be obtained by merely "cussing out" the marketing system or depending upon criticism directed solely at any one marketing group. Farmers and to an even larger extent consumers must play a part in this business of bringing about efficient marketing.

States Attack Marketing Problems

By J. I. Thompson

Better farm products for consumers, reduced spoilage in marketing channels, and higher returns to many farmers for their crops are beginning to appear as results of Federal-State Marketing improvement work under the Research and Marketing Act of 1946.

Although most of the work in this program is still in its early stages, concrete examples already have developed of effective solution of local surplus problems, improved practices in preparation of goods for market, enlarged market outlets, and sales of products at better prices because of the higher quality offered.

A considerable part of the marketing service program is conducted under cooperative agreements between the Production and Marketing Administration and State Departments of Agriculture and bureaus of markets. This part of the work is financed jointly by RMA and State funds, and the work is done by State personnel.

Reports of progress have been received from most of the 23 States taking part in this program. Following is a summary of some of the results achieved and activities under way:

The Oklahoma State Department of Agriculture has assigned a poultry marketing specialist to each of eight districts into which the State has been divided for this work. These men advise and work with poultrymen and tradesmen in improving the marketing and maintaining the quality of eggs in trade channels. The State reports that cooperating poultrymen during the last season got 3 to 10 cents a dozen more for their eggs than those who did not take part in the program.

Oklahoma fruit and vegetable marketing specialists were sent to shipping points just before harvest time. They advise with respect to the proper stage of maturity at which to harvest, and on marketing methods, so as to provide high-quality produce for consumers and good returns to producers. They report on prices, market conditions, progress of harvesting and quality of the crops. They follow through to concentration points, aiding packers and shippers on problems of assembly, grading, packing and hauling, and advise on channeling products into the most desirable markets. The Extension Service and civic and other groups cooperate in the work.

West Virginia is pioneering in the establishment of area or regional councils within the State, which aid in improving agricultural marketing. By cooperative agreement with the Production and Marketing Administration under authority of the Research and Marketing Act, State Department of Agriculture specialists have assisted producers in improving the preparation of their crops for market, and have found market outlets for large volumes of farm products. The work in this State covers a wide field. In the first season, producers were assisted in finding better markets for 100,000 bushels of No. 1 white potatoes,

12,000 baskets of tomatoes, 100,000 pounds of snap beans, 120,000 dozen ears of sweet corn and large amounts of other produce. A striking instance of results is the arrangement for sale of large amounts of black walnuts outside the producing region at three cents a pound, whereas previously the price at local markets had been one cent.

Specialists in the Virginia State Department of Agriculture, working under the RMA program, helped in marketing a 50,000-bushel barley crop in an out-of-State city where prices were more favorable than in the producing areas. They found better outlets for 10,000 bushels of corn at a time when prices were depressed locally. Advisory assistance was given to a local grain mill company in improving its facilities, including the construction of a half-million-bushel elevator. With this added storage capacity it was possible to return to growers of wheat 15 to 25 cents a bushel more than was being paid in nearby areas. The Virginia specialists also helped to find outlets in Ohio for soybeans.

The Arkansas Agriculture and Industry Division advised many tomato growers of the advantage of shifting from sales of field-run product to a "pink-wrap deal"--picking tomatoes in the pink stage and wrapping them individually. Within a few days in one area, the proportion of U. S. No. 1 tomatoes rose from 25 percent to 65 percent, and there was a price difference of about \$1 a half-bushel basket between the No. 1 and lower grades. Strawberry growers were advised against picking the fruit too green and against over-filling the boxes, which had resulted in injury to the berries; grading demonstrations and visits to producers, worked out in cooperation with Extension specialists, improved these practices.

The Maine Department of Agriculture, working under an RMA program, is studying the causes of bruising of apples at all stages of marketing from producer to consumer. Specialists will assist in carrying that information to both producers and traders, so they can adopt practices that will reduce spoilage.

Utah's State Board of Agriculture has developed a program to stimulate and improve marketing of the State's apple crop. Price data have been compiled on different kinds of apples. Arrangements have been started for producers to supply a well-prepared pack and for wholesalers and retailers to offer Utah apples at mark-ups that will foster a good volume of sales.

In North Carolina, specialists of the State Department of Agriculture arranged for diversion of low-grade sweet potatoes into livestock feed, which resulted in a higher-grade product for the food markets. Markets were found for this livestock feed, which was new to many feeders. Two sweet potato auction markets were organized and more than 300,000 bushels were sold through one of those outlets alone; the growers for the first time received premium prices for their high-grade product. Inspection, grading and better marketing of other vegetables were fostered. Cotton ginneries were advised and assisted in improving their equipment and methods, and it was reported that the product of cooperating gins was about one full grade above the product of noncooperators.

Heavy production of popcorn in one area of Kentucky threatened to

cause a serious local surplus, but specialists of the State Department of Agriculture made arrangements with an Eastern concern to take the popcorn as fast as it could be harvested. Plans are being formulated for the growers to set up their own processing and packaging plant for next season, because it was found there was a demand for large amounts of popcorn in consumer packages. State specialists also are providing information to growers and the trade on supplies and prices of all sorts of farm produce.

The Wisconsin Department of Agriculture, in cooperation with the State experiment station, is trying out in its RMA work new methods of packaging cheese, and experimenting with consumer packaging in various types of wrappings and sizes of containers. The State is surveying production trends and marketing practices in the fruit and vegetable industry, marketing methods and outlets for poultry and eggs by areas, and the movement of milk to markets both inside and outside the State. Data are being collected on total disappearance of hogs in the State by death, home slaughter, and marketing.

To assist the prune industry with its marketing problems, the California Department of Agriculture has assembled information on current production trends, volume of sales, exports, prices paid to growers and wholesalers, merchandising practices and trade problems, and the trend of supply and demand. The State plans also a survey of acreages of fruits and nuts by counties, age of trees, and varieties, and will make a survey of its poultry industry. The data will be used as a guide by producers and the trade in meeting future supply and marketing problems.

California has had trouble in getting repeat orders for Gravenstein apples in nearly all markets. The State Bureau of Markets sent a man to important markets throughout the country to observe the apples at all stages in distribution, so as to show what defects developed and where they appeared. Pictures taken during the survey are used to show the causes of the trouble, and stimulate action that will get the apples to consumers in better condition.

Indiana is carrying on its RMA work through Purdue University's Division of Markets. It is collecting special market information by counties and disseminating it through the press, radio, and weekly reports.

The Kansas State Board of Agriculture collected information on storage capacity available for grain at harvest time, and made it available to growers, railroads and the trade. Data on sales and prices of wheat by grades also were distributed. Monthly reports were made on prices and marketing of poultry and eggs, showing price differentials by grade and geographical area, for the guidance of producers and the trade.

The Michigan State Department of Agriculture is surveying fruit and vegetable growing areas, ascertaining what proportion of each crop goes into the fresh and the processing markets. The survey will be the basis for a continuing system of reporting current and seasonal data on available supplies, crop conditions prior to harvest, and related factors.

Turpentine Acidity Checked

By V. E. Grotlisch and S. R. Snider

The benefits to the turpentine farmers of more efficient central distillation of naval stores have not been accomplished without some problems and difficulties. All too frequent complaints have been received by the Naval Stores Division of the Tobacco Branch from dealers and consumers of gum turpentine that the quality of gum turpentine currently supplied them is inferior to the quality earlier handled and which had been distilled by the slower country (pot) still process. Apparently the improved and accelerated processing of the direct-steam distillation had brought with it some technical difficulties.

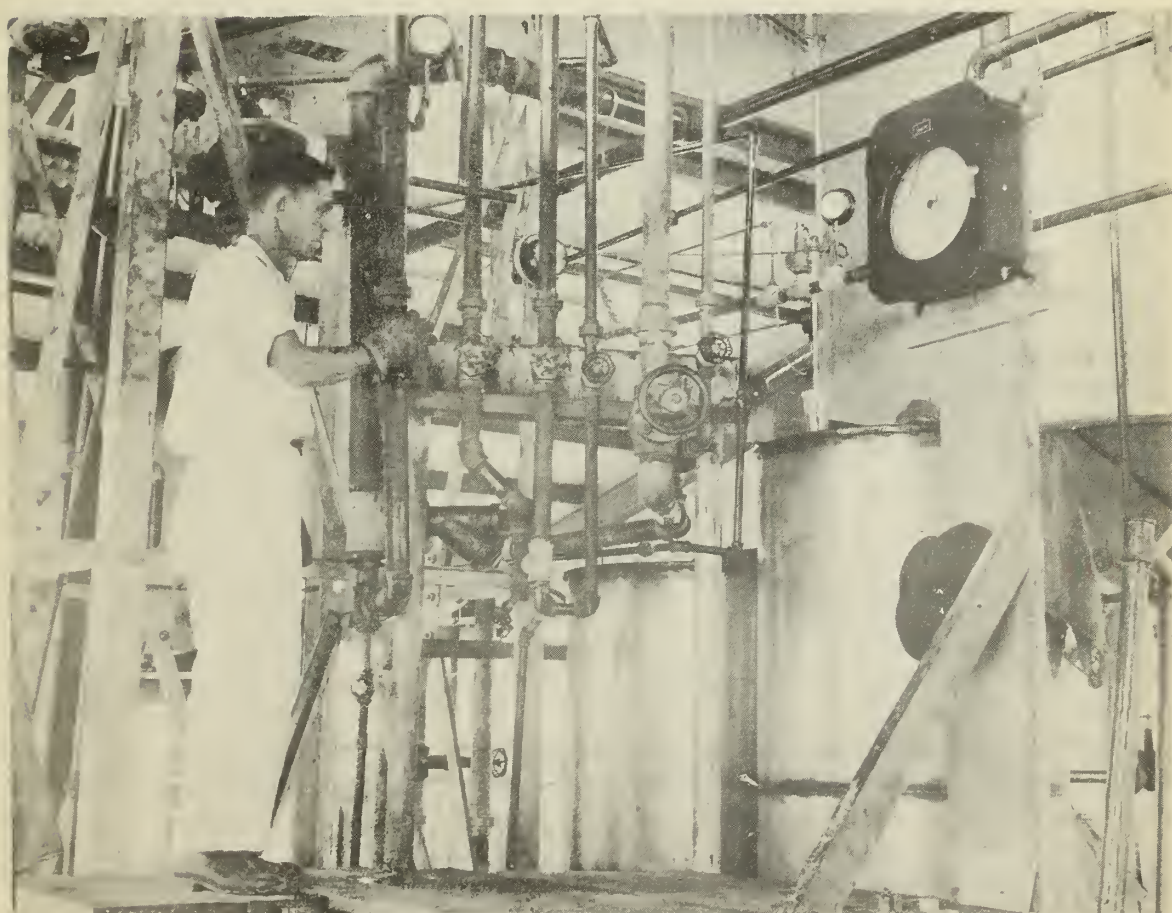
As the result of a periodic testing program carried out by the Naval Stores Division on representative samples collected from most of the central stills, it has been definitely proved that the difficulties are caused by the increase in the acid content of turpentine coming from some of the new processing plants.

Most turpentine, and particularly gum spirits of turpentine made from pine gum (oleoresin) normally contains small quantities of several weak acids, such as acetic acid and what is usually called "resin acid", both of which are present in the crude gum. Resin acid is the principal constituent of the finished rosin. These acids are not present in the turpentine in excess or harmful quantities when the pine gum is subjected to the slow distillation process in the old type fire or pot still. Such low acid turpentine can be stored in large tanks or packed in cans or drums for reasonable periods of time without excessive deterioration. The excess acidity is not harmful in itself, but it causes certain types of deterioration to occur prematurely, ultimately affecting the usefulness of the turpentine.

Rapid Distillation Causes Greater Acid Carryover

During 1947 and 1948, about 80 percent of the pine gum was distilled at some 32 central processing plants, which, within the course of about five years, have replaced most of the former 1000 or more country fire stills. At these central plants the gum is distilled at a much more rapid rate, with live steam sprayed at high pressure directly into the boiling gum. If the stiller does not hold down the rate of distillation and the operating temperature, or if he overcharges the still in order to keep up with unusually heavy receipts of gum, such accelerated operation causes particles of undistilled or raw gum to be carried over along with the turpentine vapors. This raw gum contains the resin or rosin acid which is carried along in solution with the turpentine, thus giving the turpentine an abnormally high acid content.

High acid turpentine deteriorates more rapidly than normal turpentine. When the turpentine is stored in iron tanks or packed and shipped in steel drums, even when galvanized, the acids have a tendency to react or work on the exposed metal of the container, forming metallic resins.



Above- Distillation of gum turpentine by the old country pot still method was a picturesque process. It required a great deal of skillful hand testing and sniffing by the operator.

Below- In modern central plants direct steam under high pressure permits rapid distillation but requires vigilance to avoid carryover of rosin acids into the turpentine.

which are colored. These are soluble in the turpentine and cause discoloration, which is objectionable because consumers traditionally have favored clear and colorless turpentine. The higher acid content seems to accelerate the deterioration of turpentine through more rapid absorption of oxygen from the air. This causes a more rapid increase in the specific gravity, or relative weight of the turpentine, and after prolonged storage may retard evaporation and increase the evaporation residue. Paints thinned with high gravity turpentine tend to dry slower and remain "tacky" longer. If used in shoe polish, high acid and high gravity turpentine cause the polish to give a sticky or tacky surface, which fails to take on the desired lustre.

Periodic tests on gum turpentine produced at about 25 of the central processing plants disclose that the acid content of gum turpentine can be minimized to an acceptable and safe level, if the stills are properly designed and operated. Some of the turpentine analysed in these tests had 3 to 5 times as much acid present as is now regarded as acceptable by the U. S. Department of Agriculture. Most of the plants have corrected the trouble but, unfortunately, a few still are turning out turpentine with an excessively high acid content.

Test Determines Acid Content at Plant

The Naval Stores Division has devised a simple test, for use by its inspectors and by the processors, by means of which the acid content of the turpentine can be readily and easily determined, with a precision of one hundredth of 1 percent. The necessary chemicals, solutions, and equipment, can be purchased from chemical supply houses at reasonable cost. A test requires only a few moments and can be made by any one without a knowledge of analytical chemistry. The materials cost but a few cents per test. Many of the processors now are regularly testing the acidity of their daily output, as well as of each tank car of turpentine shipped from their plants.

Because the acid content of turpentine may affect adversely the storage qualities of gum turpentine, the problem of acidity is of importance to the Production and Marketing Administration, since Commodity Credit Corporation now holds in tank storage over four million gallons of turpentine pledged as collateral under the 1947 and 1948 naval stores loan programs. Consideration has been given to placing a maximum limit on the acid content in order for turpentine to be eligible for loans, should any future loan program be authorized. The warehousemen who are responsible for maintaining the quality of the turpentine held in their tanks for the account of Commodity Credit Corporation also are faced with the problem of deterioration of high acid turpentine in storage. The inspectors of the Naval Stores Division are required to examine periodically all turpentine held in storage as loan collateral. The development of the new, simple and accurate test will permit the necessary close watch over the condition of the stored turpentine, as well as assist the processors to forestall the production of high-acid gum turpentine.

Know Your Egg Values

By Rowena S. Carpenter

What does a homemaker look for when she buys eggs wisely? Should she be concerned only with price and grade? What part does size and shell color play in egg values?

There are no pat answers for all these questions but a lot can be done toward clearing up what might be termed vague egg notions.

In the first place consumers who know where to buy eggs, and how to check on their quality and size, and how to keep them once they have them, are likely to be eating eggs of the quality they prefer at all times.

"Where to buy eggs" is a question consumers will have to answer for themselves. Merchants who recognize egg quality and who know how to maintain it for their customers will best serve their trade. Consumers will be better able to choose their dealer when they themselves know what keeps eggs at top quality.

Eggs require a cool place--above freezing and below 45° F.--clean, and not too dry. Many homemakers do not realize that eggs left for 4 days in a warm store or kitchen (temperature between 70° and 80° F.) lose as much "freshness" as eggs kept for several weeks in the refrigerator in a covered container. Egg quality hits the skids quickly in temperatures above 90° F.

Read the Labels

The wise consumer will read labels at the time of purchase, for eggs officially graded according to U.S. standards will carry the quality or grade term (AA, A, B, or C), the size of the eggs based on the weight per dozen, and the date the eggs were graded. The grade label is an assurance of quality after the date of grading only if the eggs have been kept under proper conditions.

Eggs that are not graded officially under the Federal and Federal-State programs cannot carry the letters "U.S." before the grade designation. Since some States use their own grades and grading systems consumers should become familiar with the prevailing local standards.

It is important to remember that size and interior quality are independent of each other. Top grades may be found in medium sizes just as extra large eggs may be of lower quality grades.

Since eggs are classified by weight it is well to check the weight of the label description against another weighing on the kitchen scales. According to U.S. weight classes, a dozen "Extra Large" eggs must weigh at least 27 ounces without the carton, which usually weighs 2 ounces. "Large" eggs must weigh at least 24 ounces per dozen; "Medium", 21 ounces; "Small" 18 ounces.

Sometimes however, descriptive terms used on labels may have little meaning in themselves and little relation to the quality of the product. The homemaker who buys eggs from bulk displays or in cartons carrying only such descriptions as "selected" or "best" or "fresh country eggs" has to depend on the dealer for her assurance of quality. Eggs so labeled may vary widely in all elements.

Because egg size does not affect quality very small or "pullet eggs" may be an unusually good "buy". A few Jumbo eggs (weighing over 30 ounces per dozen) may appear in stores now and then but through most of the year only extra-large, large and medium-sized eggs will be available.

Shell Color Does Not Affect Quality

Shell color has no relation to interior quality but in some sections of the country it pays to consider shell color in relation to price. In some markets white eggs may cost as much as 5 to 10 cents more per dozen than brown eggs, or a mixture of white and brown eggs. There is no reason why a premium should ever be paid for color in eggs.

Interior quality, unfortunately, cannot be determined by the consumer until the eggs are purchased. In spite of the finality of this situation some misconceptions persist concerning egg quality and use.

First, there seems to be no difference in food value between eggs of the different qualities. There may be differences in flavor and palatability and there are usually differences in price. What consumers should realize is that eggs of lower quality, the B and C grades, are just as good for many uses.

Eggs of the first two grades--the most expensive--are desirable for their large proportion of firm white, standing up well around the yolk. In such eggs the yolk itself is firm and upstanding. These characteristics make the eggs particularly suitable for frying, poaching and cooking in the shell.

In dishes where eggs are not apparent as units, appearance is of no consequence. Thus grade B and C eggs which may have a smaller proportion of thick white, plus a flatter, more easily broken yolk, can be used as scrambled eggs, in baking, and in sauces and salad dressings. Many families find that it pays to buy Grade B or C eggs for general cooking purposes.

Whatever quality of eggs selected, the thrifty housewife protects that quality by placing eggs in her refrigerator as quickly as possible after purchase. She does not leave them in a hot car while on a shopping tour, or in a hot kitchen while sorting other groceries. When she begins to prepare a meal or gets ready to bake a cake, she takes out of the refrigerator only as many eggs as she needs. To prevent the eggs from losing moisture, absorbing flavors, and losing quality, they are kept in a covered container in a clean refrigerator. It takes a little care, maybe even a little bother, but the sensitive egg pays off well in good eating.

Price Supports—1949 and After

. . . A digest of the principal provisions of the Agricultural Act of 1948

Wartime price support legislation expired December 31, 1948.

The Agricultural Act of 1948 extends, effective January 1, 1949, mandatory price support for the 1949 crops of the "basic" commodities and wool marketed before June 30, 1950. The act also extends with some changes, effective January 1, 1949, mandatory price support for "Steagall" and permissive price support for "other" commodities marketed before January 1, 1950.

The act makes effective on January 1, 1950, certain permanent price support provisions which, among other things, provide for a new method of calculating parity and for more flexibility in the establishment of price support levels. After January 1, 1950, agricultural commodities, so far as price support is concerned, fall into only two categories--basic and non-basic.

Basic Commodities

Wheat, corn, rice, peanuts for nuts, and cotton marketed:

Before June 30, 1950 (1949 crops)--90 percent of parity.

After December 31, 1949 (beginning with 1950 crops)--60 to 90 percent of parity, depending upon the supply at the beginning of the marketing year. If acreage allotments or marketing quota provisions are in effect, the support level will be increased 20 percent above what it otherwise would be--but not above 90 percent of parity.

(See other marketing quota provisions, page 16)

Tobacco marketed:

Before June 30, 1950 (1949 crops)--90 percent of parity.

After December 31, 1949 (beginning with 1950 crops)--90 percent of parity in years marketing quotas are in effect.

(See other marketing quota provisions, page 16)

Steagall Commodities

Hogs, chickens over 3-1/2 pounds live weight, eggs, and milk and its products marketed:

Through December 31, 1949--at 90 percent of parity or the comparable price.

After December 31, 1949--at any level from zero to 90 percent of parity.

(Note: If prices of chickens or turkeys are supported after December 31, 1949, prices of broiler chickens, ducks, and other poultry also must be supported).

Potatoes harvested:

On or before December 31, 1948 and marketed through December 31, 1949--90 percent of parity.

After December 31, 1948 and marketed through December 31, 1949--not less than 60 percent of the parity price nor more than the 1948 support level.

After December 31, 1949--not less than 60 nor more than 90 percent of parity.

Edible dry beans, edible dry peas, turkeys, soybeans for oil, flaxseed for oil, peanuts for oil, American-Egyptian cotton, and sweetpotatoes marketed:

Through December 31, 1949--not less than 60 percent of parity or comparable price nor higher than the level at which the commodity was supported in 1948.

(Note: In the case of all Steagall commodities marketed in 1949 the Secretary of Agriculture may require compliance with production goals and marketing regulations as a condition to eligibility of producers for price support).

After December 31, 1949--at any level from zero to 90 percent of parity.

Wool (A non-basic non-Steagall commodity) marketed:

Before June 30, 1950--at the 1946 price support level (an average price to farmers of 42.3 cents per pound for shorn wool, grease basis).

After December 31, 1949--not less than 60 percent of parity nor more than 90 percent of parity. The Secretary of Agriculture is directed to establish a support level, between 60 and 90 percent of parity, that will encourage an annual production of approximately 360,000,000 pounds of shorn wool.

(Note: The act provides two possibly conflicting levels of support for wool during the period January 1-June 30, 1950. It has not been determined as yet which level of support will apply in case the levels do conflict).

All Other Commodities

Through December 31, 1949--Price support may be carried out if funds are available after taking into account the needs of other price support operations, at levels that will tend to bring prices of other commodities to a fair relationship with prices of the basic

and Steagall commodities. Price support for "other" commodities is permissive rather than mandatory.

After December 31, 1949--at any level from zero to 90 percent of parity.

(Note: In the case of all non-basic commodities marketed after December 31, 1948, compliance with acreage allotments, production goals, and marketing practices prescribed by the Secretary of Agriculture may be required as a condition of eligibility for price support).

This special provision applies to basic and non-basic commodities marketed after December 31, 1949: If the Secretary of Agriculture, after a public hearing, finds price support levels higher than 90 percent of parity to be "necessary in order to increase or maintain the production of any agricultural commodity in the interest of national security," he may put such higher price supports into effect.

PARITY

Effective January 1, 1949:

The parity base period for Maryland tobacco is changed from August 1919-July 1929 to August 1936-July 1941.

Effective January 1, 1950:

The 1910-14 period is retained as a base for computing the over-all relationship between prices received by farmers generally and prices paid by farmers, including interest and taxes.

Parity prices for individual crops, however, are computed in such a way as to take into consideration, in addition to the 1910-14 period, average prices for the previous 10 years.

The new parity formula increases parity prices of most livestock items but decreases parity prices of many important field crops.

Provision is made to prevent parity prices for individual commodities from dropping more than 5 percent per year below parity prices as they would be calculated under the present formula.

The Secretary of Agriculture may, after a public hearing, put into effect for particular commodities a revised method of calculating parity, if the parity price as provided for under the new formula appears to be seriously out of line with parity prices of other agricultural commodities.

MARKETING QUOTA PROVISIONS
(Apply only to basic commodities)

January 1, 1949-June 30, 1950 (1949 crops):

If producers have not disapproved marketing quotas for a commodity, the price will be supported at 90 percent of parity.

If producers disapprove marketing quotas for a commodity, the price will not be supported.

If marketing quotas are in effect for a commodity, prices to cooperators will be supported at 90 percent of parity, whereas prices to non-cooperators will be supported at only 54 percent of parity--and then on only so much of the commodity as would be subject to penalty if marketed.

July 1, 1950 and after (beginning with 1950 crops):

If producers have not disapproved marketing quotas, or if marketing quotas are in effect, prices of wheat, corn, cotton, rice and peanuts will be supported for cooperators at levels ranging from 60 to 90 percent of parity, depending upon the relation of total supply to normal supply at the beginning of the marketing year. Tobacco will be supported at 90 percent of parity in years marketing quotas are in effect--and marketing quotas for major types of tobacco, except Maryland and cigar leaf, will be in effect every year unless disapproved by more than one-third of the producers voting in referendum.

(In the case of corn, prices will be supported to cooperators outside the commercial corn-producing area at 75 percent of the level at which prices will be supported to cooperators in the commercial corn-producing area).

If producers disapprove marketing quotas for any commodity, prices will be supported at 50 percent of parity.

If acreage allotments are in effect for a commodity at the beginning of the planting season or if marketing quotas are in effect at the beginning of the marketing year, the level of price support will be increased 20 percent above what it otherwise would be--but not above 90 percent of parity.

Marketing quotas shall be proclaimed for corn, wheat, and rice if the total supply for the marketing year exceeds the normal supply by more than 20 percent and for cotton if the total supply exceeds the normal supply by 8 percent, or, in the case of the above commodities, if the total supply for the marketing year just ending is not less than the normal supply for the marketing year so ending and the average price for 3 successive months of the marketing year so ending does not exceed 66 percent of parity. A marketing quota will be proclaimed each year for peanuts and major types of tobacco, except Maryland and cigar leaf. Marketing quotas will become effective unless disapproved by more than a one-third vote of the producers voting in referendum.

MARKETING BRIEFS:

Cotton.--The cotton export program is to be continued with the current export subsidy rate of 10 cents per bale remaining in effect with respect to notices of sale received by the New Orleans PMA Commodity office after December 28, 1948, according to an announcement made late in December by USDA. Cotton registered for sale under the program must be shipped prior to January 1, 1950. Previously the Department had announced that exporters would have until December 31, 1948 to export under this program.

Dairy Products.--During late December Federal milk marketing orders in the marketing areas of New York, Philadelphia, Columbus, Greater Boston and Sioux City were amended by the Secretary of Agriculture after public hearings had been held and under the authority of the Agricultural Marketing Agreements Act of 1937. The New York amendment retains the present relationship of prices between the New York and Boston milk markets until June 30, 1949. This will result in a seasonal reduction from the current price during the month of January 1949, of 44 cents per hundredweight, or about 1 cent per quart, in the minimum Class I-A New York milk price and anticipates an additional seasonal drop of 44 cents per hundredweight on April 1, 1949.... The revised order for the Philadelphia market establishes for a period of six months at a seasonally lower level the prices for Class I milk set up for the Philadelphia marketing area under the amendment to the order of August 1, 1948. Effective January 1, 1949, the price will be \$5.90 per hundredweight for the January-March quarter of 1949 and \$5.50 per hundredweight for the April-June quarter, for Class I milk of 4 percent butterfat. The comparable price for the October-December, 1948, quarter was \$6.30 per hundredweight.... The Columbus amendment provides prices to producers for Class I and Class II milk (fluid milk and fluid cream, respectively) in January 1949, at not less than the following amounts: Class I - \$4.65, Class II - \$4.40 per hundredweight. Minimum prices for Class I and Class II milk in February 1949, are fixed at levels 22 cents per hundredweight less than the January minimum prices. The Class I price in January will be slightly more than 1.5 cents per quart of milk below the level of July 1948, after which producer prices began to decline. The price for February 1949 will be approximately 1/2 cent per quart less than for January 1949.... Effective January 1, 1949, Class II milk prices in the Boston market are established by deducting from the wholesale selling prices of fluid cream and nonfat dry milk solids an allowance for handling, processing, and shipping products of Class II milk. Today's amendment provides for an allowance increase of 10 cents per hundredweight which will have the effect of lowering the Class II price by that amount. Need for such action was revealed at public hearings held May 24, 1948, at Morrisville, Vermont, and May 26-28, 1948, at Boston.... The revised Sioux City order increases the differentials over the basic milk price for Class I (fluid milk) and Class II (fluid cream); reclassifies skim milk, buttermilk, and flavored milk from Class I to Class II, and provides for seasonal price variations. Class I and Class II price differentials will be 80 cents per hundredweight for each of the two classes during April through July, and \$1.00 per hundredweight during August through March.

Fruits and Vegetables.--USDA announced December 30 the further amendment of the Federal marketing agreement and order regulating the handling of fresh Bartlett pears, plums, and Elberta peaches produced in California following approval by interested groups of the proposed amendment. In a referendum conducted November 5 - 10, 1948, more than 85 percent of the growers of each of the fruits who voted favored the proposed further amendment of the order, and handlers representing more than 50 percent of the volume of each fruit covered by the order signed the further amended marketing agreement which provides for the establishment of minimum standards of quality and maturity; authorizes the Control Committee, which administers the marketing agreement and order program, to engage in such research and service activities as may be approved by the Secretary of Agriculture; revises the provisions for the issuance of exemption certificates; and provides for the modification, suspension, or termination of grade and size regulations and of minimum standards of quality and maturity.

Grains and Grain Products.--Price support loans and purchase agreements on 1948-crop dry edible beans will be available to producers through February 28, 1949, instead of through the previously announced date of December 31, 1948, USDA has announced. Extension has been made because processing facilities in some areas were inadequate to condition the crop properly by December 31. The 1948 crop of dry edible beans, estimated at 20,833,000 100-pound bags, is the second largest on record.

Livestock.--USDA announced December 30, 1948 a 1949 wool price support program with a price schedule that will provide a national average wool price to growers of slightly more than 42 cents a pound, grease basis. This will approximate the 1948 wool price support level. Wool prices will be supported by purchases, and the program will apply to all types and grades of shorn and pulled wool produced in the United States and territories. The program will run from January 1 through December 31, 1949. The program will be operated in 1949, as in 1948, under agreements with handlers who act as purchasing and selling agents for the Commodity Credit Corporation.

Tobacco.--Secretary of Agriculture Charles F. Brannan announced December 24 that on the basis of available information regarding the flue-cured tobacco supply and demand situation no change will be made in 1949-crop marketing quotas totaling 1,030,000,000 pounds as announced by the Department August 9. The Secretary also announced the following State acreage allotments for the 1949 crop: Alabama 500 acres; Florida 19,603; Georgia 95,260; North Carolina 634,313; South Carolina 109,650; and Virginia 96,493. In addition to these amounts, 4,804 acres will be reserved for allotments to farms upon which no flue-cured tobacco has been grown during the past five years. The total acreage to be allotted for 1949 is 960,623 acres as compared with 908,000 acres allotted in 1948. Allotments for most farms will be about 5 percent more than in 1948. Local county committees will notify each farm operator of his 1949 farm acreage allotment around February 1.... All Burley markets which had closed December 21 reopened on schedule January 10. The Sparta, Tennessee market which had operated without inspection service was supplied with inspectors at the January 10 opening.

ABOUT MARKETING

The following addresses, statements, and publications, issued recently, may be obtained upon request. To order, check on this page the publications desired, detach and mail to the Production and Marketing Administration, U.S. Department of Agriculture, Washington 25, D. C.

Addresses and Statements:

Better Living, by Charles F. Brannan, Secretary of Agriculture, at Centre, Alabama, December 3, 1948. 13 pp. (Processed)

Learning to Live With Our Abundance, by Charles F. Brannan, Secretary of Agriculture, at St. Paul, Minnesota, December 14, 1948. 11 pp. (Processed)

What Kind of Pressure, by Charles F. Brannan at Atlantic City, New Jersey, December 15, 1948. 11 pp. (Processed)

Publications:

The Fertilizer Situation for 1948-49. (PMA) October 1948. 12 pp. (Processed)

Corn Price Supports. (PMA) October 1948. 2 pp. (Processed)

Cotton Price Supports. (PMA) October 1948. 2 pp. (Processed)

Peanuts: Acreage Allotments, Price Supports. 2 pp. December 1948. (Processed)

Marketing Margins and Costs for Poultry and Eggs. (Bureau of Agricultural Economics) TB-969. November 1948. 70 pp. (Printed)

Commercial Family-Operated Cattle Ranches, Intermountain Region, 1930-47: Organizations, Costs and Returns. (Bureau of Agricultural Economics) FM-71. November 1948. 29 pp. (Processed)

Inventory of Major Land Uses: United States. (Bureau of Agricultural Economics) December 1948. 34 pp. (Processed)

How Heavy Should I Feed My Hogs? (Bureau of Agricultural Economics) AIS-78. November 1948. 4 pp. (Printed)

Slide Films of the U.S. Department of Agriculture. (USDA) MP-655. November 1948. 22 pp. (Printed)

The National Poultry Improvement Plan. (USDA) MP-300. Revised June 1948. 33 pp. (Printed)

The National Turkey Improvement Plan. (USDA) MP-555. Revised June 1948. 32 pp. (Printed)

